

### **- *Bipartisan Automobile Dealer Economic Restoration Act Would Stop Forced Closing of GM and Chrysler Dealerships* -**

*Washington, D.C.* – As part of his effort to save Hudson Valley auto dealership jobs, U.S. Rep. John Hall (D-Dover) today signed on as an original co-sponsor of the bipartisan Automobile Dealer Economic Restoration Act (H.R. 2743). The legislation would require Chrysler and General Motors to continue to honor their commitments to auto dealers by requiring that auto manufacturers in which the Federal Government has ownership interest not deprive economic rights to the dealers. This legislation Hall is supporting would restore the economic rights of automobile dealers in order to protect jobs, workers, and small business owners.

"Right now we need to create jobs and revive our economy. The cutting of these dealerships and the job losses that would be caused are counterproductive to the economic growth and development that the Hudson Valley and America needs," said Hall. "Each auto dealership is a vital member of our community here in the Hudson Valley. Shutting them down will create a detrimental ripple effect throughout our local economy. These local dealers deserve a fair shot to survive or fail in the marketplace and that is what this legislation gives."

Previously GM and Chrysler seemingly arbitrarily notified dealers that their relationship was ending, essentially immediately, leaving dealers with millions of dollars invested in car stock, no options for consolidation and little leverage for liquidation. There was no transparency to the system that would shutdown many profitable dealerships that have been local institutions for decades. The decisions lacked any proof from the automakers that these closing would actually benefit them financially.

The Automobile Dealer Economic Rights Restoration Act of 2009 would do the following:

- Restore the economic rights of General Motors and Chrysler car dealers as they existed prior to each company's bankruptcies.
- Preserve General Motors and Chrysler car dealers' rights to recourse under state law.
- At the request of an automobile dealer, require General Motors and Chrysler to reinstate franchise agreements in effect prior to each company's bankruptcies.
- Make clear that the legislation is not intended to make null and void the court-ordered transfer of assets from Chrysler LLC to New CarCo Acquisition LLC or the transfer of General Motors assets that could be approved by a court after the introduction of the Act.

Congressman Hall has also written to President Barack Obama and Steven Rattner, Senior Advisor on Auto Issues at the Treasury Department, asking for them to force GM and Chrysler to reconsider their planned dealership closings.   -30-